

EXHIBIT 14



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

BAY CITY

EGLE

LIESL EICHLER CLARK
DIRECTOR

November 25, 2019

CERTIFIED MAIL

Lee Mueller
10120 W. Flamingo Rd Ste 4192
Las Vegas, NV 89147

Dear Mr. Mueller:

SUBJECT: Application Denial, Submission Number: HNS-X17S-6B1RG; Gladwin County;

This letter is to notify you that your application for a permit submitted under the authority of Part 301, Inland Lakes and Streams; Part 303 Wetlands Protection and Part 315, Dam Safety, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA); and Part 13, Permits, of the NREPA, is hereby denied. The application was received by the Department of Environment, Great Lakes, and Energy (EGLE), Water Resources Division (WRD), on September 25, 2019.

The purpose of the project, as shown in your application, is to conduct " a winter drawdown for Wixom Lake of approximately 8 feet." The drawdown was proposed to begin on November 4,2019 and the lake would remain drawn down until an uncertain date when the water reaches a temperature near 39 degrees F.

After due consideration of the permit application, site conditions, and other pertinent materials, your application is denied for the following reason(s):

The proposed project will have significant adverse effects on the natural resources associated with Wixom Lake. Research has shown that while minor fluctuations in a lake's water levels can potentially be ecologically beneficial (e.g., mimicking seasonal, natural fluctuations that occur in many natural lakes), large-scale cold-season drawdowns within impoundments are often associated with negative ecological effects. Various biological, chemical, and physical changes within the littoral zone during a large-scale cold-season drawdown can indirectly affect ecological condition within the rest of the impoundment.

Littoral substrate and aquatic vegetation rhizomes/stems can become desiccated and irreversibly damaged, with consequences being an increased risk of significant erosion to the exposed edges of the lakebed. Winter drawdowns can decrease taxonomic richness of littoral/wetland macrophytes and invertebrates and shift species assemblage composition in exposed portions of the lake to favor weedy and nuisance taxa when eventually re-flooded. Fish assemblages that depend on a productive and diverse littoral zone can be negatively affected indirectly via a decrease of littoral macroinvertebrate biomass and macroinvertebrate species richness.

Fish assemblages can also be negatively affected indirectly because of decreased quality or quantity of littoral spawning habitat available within the previously-vegetated portions of the littoral zone and adjacent deep-marsh wetlands (e.g. the northern portions of both reservoir arms and the vast marsh located east of Heron Cove). Fish assemblages can be negatively affected directly through potential stranding in newly-formed shallow areas that become disconnected from the lake and can become highly susceptible to rapid depletion of dissolved oxygen under ice (i.e., "Winter Kill").

Implementing a drawdown too late in the fall and/or within winter can be problematic for various species of frogs and aquatic turtles. Various species utilize littoral zone wetlands and shallowly inundated benthic substrate to hibernate from mid-autumn through winter. A drawdown after the cold-season commences can expose these hibernating animals to very cold, dry air, where they can desiccate irreversibly.

Additionally, the timing of the proposed drawdown is well outside the recommended season for mussel relocation. Aside from the added stress of exposure to potentially freezing temperatures, there also exists a significant risk of not recovering all stranded mussels in the event of snowfall. These risks are significantly exacerbated if the drawdown takes place at the proposed start date of late-November.

Rainbow mussel (*Villosa iris*), is a State-listed Special Concern species that is suspected to inhabit the upper end of the Tobacco River portion of the Wixom Lake reservoir where there is normally some lotic current. State/Federal mussel maps indicate that this species also likely inhabits more than a mile segment of the Tobacco River adjacent to the north end of the reservoir. Pertaining to this mussel species, Michigan Natural Features Inventory literature recommends that unnatural hydrological alterations be avoided. A significant winter drawdown could strand and kill individuals of this species and other native mussel species, primarily because they cannot relocate (or be relocated) effectively.

The WRD believes that feasible and prudent alternatives exist that would lessen or eliminate the negative effects of the project as proposed. As an alternative, we suggest that you consider de-icing measures, like those used in other comparable facilities, such as: the daily use of heated pressure washers as part of a routine Operations and Maintenance Plan. Such a plan should include contact information of outside contractors who can assist should onsite staff be unable to implement a regular schedule of de-icing.

If you choose to pursue this project in the future by incorporating any alternatives, it will be necessary to reapply for a permit by submitting a new application with all of the necessary information and application fees. Application fees are not transferable or refundable.

You have the right to appeal this denial by filing a petition for a formal administrative hearing. To preserve your right to an administrative hearing, a petition must be filed with the Michigan Office of Administrative Hearings and Rules (MOAHR) within 60 days from the date of this denial letter. The petition can be found here: https://www.michigan.gov/documents/egle/EQP0201_656169_7.docx To request a hearing, submit the petition to: Michigan Office of Administrative Hearings and Rules , P.O. Box 30695, Lansing, Michigan 48909 or by fax to: 517-335-7535.

If you would like to discuss project alternatives and plan modifications prior to filing a Petition for Contested Case, please contact me. Our discussions may continue during the informal review process after a Petition for Contested Case is filed, but your formal appeal must be filed within the 60-day deadline.

If you have any questions regarding this matter, please contact me at 989-439-6065; rudolphb1@michigan.gov; or EGLE, WRD, Bay City District Office, 401 Ketchum Street, Suite B, Bay City, Michigan 48708-5430. Please include your submission number HNS-X17S-6B1RG, in your response.

Sincerely,



Brian Rudolph
Bay City District Office
Water Resources Division

cc: David Kepler, Four Lakes Task Force
Ron Hansen, Spicer Group Inc.
Billings Township Clerk
Tobacco Township Clerk
Gladwin County Clerk
Gladwin County Drain Commissioner
Gladwin CEA
Kesiree Thiamkeelakul, MDNR Fisheries Div.
Luke Trumble, EGLE/WRD, Dam Safety Unit
Keto Gyekis, EGLE/WLSU